



Austan Goolsbee's Petulance

During Sunday's interview on ABC's *This Week* with the Obama administration's chief economics advisor, Austan Goolsbee, he warned opponents not to treat the issue of raising the debt ceiling as a game or a toy.

This is not a game. If we hit the debt ceiling, that's essentially defaulting on our obligations, which is totally unprecedented in American history.

The impact on the economy would be catastrophic. I mean, that would be a worse financial economic crisis than anything we saw in 2008. I don't see why anybody's talking about playing chicken with the debt ceiling. [If the debt ceiling isn't lifted], that would be the first default in history caused purely by insanity.



The last time a game of chicken was played out on the issue of raising the debt ceiling was early in 1995, right after Republicans took control of the Congress. Legislators passed a budget requiring modest cuts in Medicare, Medicaid, education, and spending on the environment. President Clinton vetoed the bill, and "nonessential" services were suspended for 25 days. Compromises were reached, the debt ceiling was raised, and government spending continued unabated.

The targets of Goolsbee's warning were quick in responding. On *Face the Nation*, Michelle Bachmann (R-Minn.) said: "At this point, I am not in favor of raising the debt ceiling. Congress has had a big party the last two years. They couldn't spend enough money and now they're standing back, folding their arms ... taunting us about how are you going to go ahead and solve this big spending crisis?" Senator Lindsey Graham (R- S.C.) agreed with Goolsbee: "Not to raise the debt ceiling could be a default of the United States on bond and Treasury obligations. That would be very bad for the position of the United States in the world at large. But this is an opportunity to make sure the government is changing its spending ways."

Goolsbee then went on to say that the President is flexible on some spending cuts, but that Obama will defend certain crucial priorities, including continued spending in education and research and development: "If you're going to skimp on important investments that we need to grow, you're making a mistake."

What was not noted widely was Goolsbee's attempt to set the parameters of the debt ceiling "conversation," that certain topics were off the table. This is an example of the [Hegelian Dialectic](#), whereby the conversation is kept within certain limits, and consequently directed to the pre-determined end. In this case, government wants to spend more money than it can raise through taxes. Any discussion that focuses on anything else is considered a distraction which, in this case, becomes a "game of chicken" which would be "catastrophic." And so the conversation is limited to just how much



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phony surface and largely irrelevant “cuts” can be made in the budget in order to raise the ceiling once again.

The Republicans quoted above have fallen into the Hegelian trap, and accordingly have limited their responses to stay within the conversation.

The other point not illumined by the media was Goolsbee’s petulance and obvious resentment that he even needed to explain the government’s position. As a member of the elite, the Ruling Class, the so-called Anglo-American Establishment, Goolsbee represents the point of view of a clique that claims to have the answers, the technology, the skills, the solutions to the country’s problems, and any slight suggestion of possible hindrance to their foregone conclusion brings the full weight of disdain to bear on it. But circumstances have changed radically in just the last few years, and where “control of the conversation” was easy when the Elite controlled the media (Soros on the Left, Murdoch on the Right), the insertion of the new conversation from the Internet has changed the game. As the *Daily Bell* [writes](#),

The elite simply cannot fathom that its situation has changed radically and ... sooner or later the realization that it may have to take a step back will sink in....

We ... suggest that it is the arrogance of the elites generally — especially after [their] triumphs of the 20th century — that led them to this place. They were surely blindsided by the Internet and even now with their maneuvering exposed they forge ahead as if nothing has happened. There are perhaps many reasons for this behavior but one of them surely is that after so many years of ruling the world behind the scenes they cannot fathom that their power is less than unbrookable or that their plans are less than absolute.

It remains to be seen if people like Bachmann and Graham catch on to the game in time to expose, for all the world to see, the deliberate efforts to limit the conversation, and thereby continue to accomplish the elite’s goal of world-wide hegemony. The battle truly is one of ideas, but today the battleground is the Internet.

Photo: Austan Goolsbee, chief economist of the President’s Economic Recovery Advisory Board, on the veranda of the Jackson Lake Lodge, during a break from the morning session of the annual Federal Reserve conference, in Jackson, Wyo., Aug. 27, 2010: AP Images



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